Centre's Aid to States implementing Vat

4076. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased tostate :

(b) whether the Central Government have decided to provide more Central funds to me£t States', revenue loss due to the launch of the Value Added Tax regime from April 1,2003;

(c) if so, total States which have implemented the VAT;

(d) whether Central Govenment have provided for only Rs. 700 crore in the union Budget for meeting shortfalls in revenue receipts as a result of transition ofVAT;

(e) if so, whether Central Government are committed to providing hundred per cent support to States for revenue shortfalls; and

(e) if so, to what extent the provisions has been increased for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Keeping in view the request of the States, the Government of India has agreed to compensate the revenue loss, if any, upon introduction of value added tax (VAT) by the States at the rate of 100 per cent in the first year, 75 per cent in the second year and 50 per cent in the third year.

(b) The Empowered Committee of State Finance Ministers has informed that the State of Haryana has introduced VAT with effect from 1-4-2003.

(c) Yes, Sir.

(d)The Government of India has agreed to provide hundred per cent compensation to States for revenue loss, if any, in 2003-04, *i.e.,* the first year of introduction of VAT in lieu of existing sales tax.

(e) Additional requirement of funds will be met through supplementary grants, if the need arises.

Grant/Assistance to NGOs by Japanese Government

4077. SHRIARJUNSINGH:

DR T. SUBB ARAMI REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Japanese Government extended grant/assistance to five more Non-Governmental Organisations under its grant/assistance for grassroots projects scheme;